# LEGISLATIVE SERVICES AGENCY

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To: Members of the Code Revision Commission and Interested Parties

From: George T. Angelone, Deputy Director

Re: PD 3303: Revised Title 21 Recodification Outline and Related Queries

Date: October 14, 2005

A copy of the proposed recodification of education finance law (PD 3303) is being distributed for your review. The text of the Preliminary Draft is also posted on the Internet at the legislative WEB site (http://www.in.gov/legislative/). Attached find two appendices that provide supplemental information concerning the Preliminary Draft

Appendix A contains an revised outline for the Preliminary Draft. Changes from the outline approved by the Code Revision Commission in its last meeting are highlighted in bold and stricken typeface.

Appendix B contains a number of recodification issues that appear to be largely technical and were not fully resolved when PD 3303 was prepared. There are various other issues in which various provisions of current law are in substantive conflict (e.g., see Item 11 below). However, the staff is not recommending a substantive trailer bill at this time.

If you have any recommended changes in the Preliminary Draft, feel free to contact me. I will make every effort to translate your recommendation into the text of a proposed amendment to be presented to the Code Revision Commission.

### Appendix A

# Proposed Outline—Title 21 Recodification of K-12 Education Finance Provisions in Title 20 and Title 21 2006 Session Provised October 12, 2006

# Revised October 12, 2006

(current code placement in [])

Changes between the outline adopted at the September meeting of the Code Revision Commission are marked with boldface and stricken type.

(Note 1: Move IC 21-1-20 (Recording Satisfaction of School Fund Mortgages) and IC 21-1-27 (LANDS: QUITCLAIM; LANDS SOLD FOR DELINQUENT TAXES) to IC 4-11-2 (RELEASE OF CERTAIN MORTGAGES TO STATE OR STATE TRUST FUNDS).)

(Note 3: Move part of IC 5-10.2-5 (RESTRICTED BENEFITS) related to schools and IC 21-6.1 (INDIANA STATE TEACHERS' RETIREMENT FUND), except IC 21-6.1-8 (HIGHER EDUCATION RETIREMENT BENEFITS), to a new Article IC 5-10.4.)

#### ARTICLE 10.4. INDIANA STATE TEACHERS' RETIREMENT FUND

Chapter 1. General Provisions [IC 21-6.1-1]

Chapter 2. State Teachers' Retirement Fund [IC 21-6.1-2]

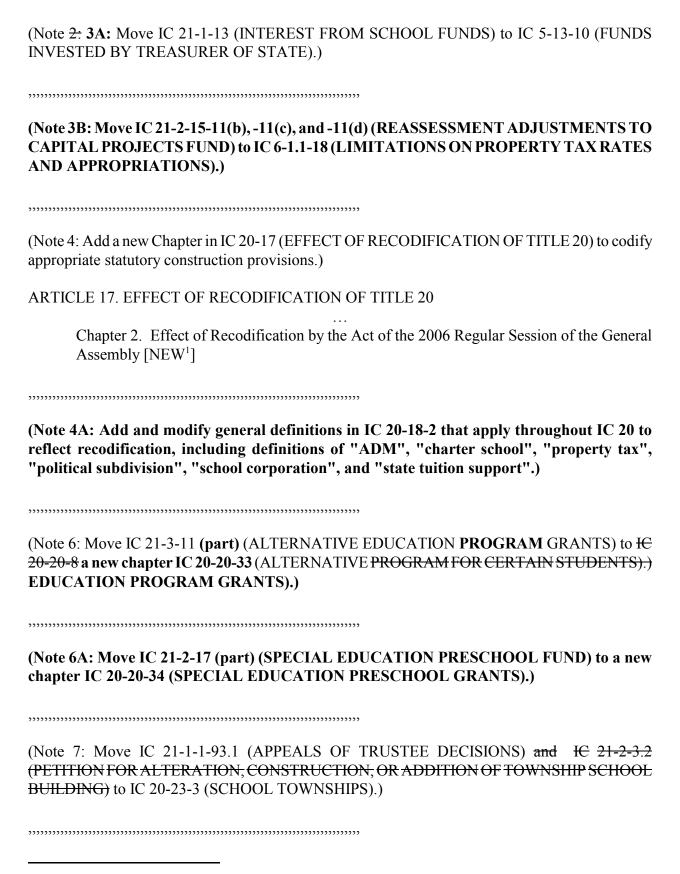
Chapter 3. Teacher Retirement Fund Board [IC 21-6.1-3]

Chapter 4. Fund Membership; Employee Contributions; Creditable Service; Purchase of Service; Fund Withdrawal [IC 21-6.1-4]

Chapter 5. Benefits [IC 21-6.1-5]

Chapter 6. Restricted Benefits [IC 21-6.1-6; IC 5-10.2-5-18; IC 5-10.2-5-32; IC 5-10.2-5-34.4; IC 5-10.2-5-37]

Chapter 7. School Corporation Reports and Administration [IC 21-6.1-7]



 $<sup>^{\</sup>mbox{\tiny 1}}$  Standard recodification language similar to language included in HEA 1288-2005.

COUNTY AUDITOR AND DISTRIBUTION OF LEVY TO CHARTER SCHOOL ATTENDANCE TO CHARTER SCHOOL to IC 20-24-7 (CHARTER SCHOOL FISCAL MATTERS).)
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
(Note 9: Move IC 20-26-4-1 (part) (TREASURER; ELECTRONIC FUNDS TRANSFER) and IC 20-26-4-5 (TREASURER BONDS), and IC 20-26-5-17(b) (TREASURER BONDS) to IC 20-26-6 (TREASURER AND ACCOUNTING).)
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
(Note 10: Move IC 21-1-1-80 through IC 21-1-1-81 (DISPOSITION OF SCHOOL LANDS), IC 21-1-5-1 and IC 21-1-5-2 (EMINENT DOMAIN TO REPLACE LOSS), and IC 21-2-9 (TRANSFER OF GIFTS OR BEQUESTS TO CUMULATIVE BUILDING FUND) to IC 20-26-7 (PROPERTY AND EMINENT DOMAIN).)
(Note 10A: Move IC 21-1-1-62.5 (part) (DEVELOPMENT OF INNOVATIVE OR
EXEMPLARY SCHOOL CALENDARS) to IC 20-30-2 (CALNEDAR).)
EXEMPLARY SCHOOL CALENDARS) to IC 20-30-2 (CALNEDAR).)
(Note 10B: Move IC 21-3-11 (part) (ALTERNATIVE EDUCATION PROGRAM GRANTS)
(Note 10B: Move IC 21-3-11 (part) (ALTERNATIVE EDUCATION PROGRAM GRANTS) to IC 20-30-8 (ALTERNATIVE PROGRAM FOR CERTAIN STUDENTS).)  (Note 5: 10C: Move IC 21-4-24-1 (TUITION FOR INSTITUTIONAL FARM TRAINING) to IC 20-19-1 (STATE SUPERINTENDENT OF PUBLIC INSTRUCTION): IC 20-37-2
(Note 10B: Move IC 21-3-11 (part) (ALTERNATIVE EDUCATION PROGRAM GRANTS) to IC 20-30-8 (ALTERNATIVE PROGRAM FOR CERTAIN STUDENTS).)  (Note 5: 10C: Move IC 21-4-24-1 (TUITION FOR INSTITUTIONAL FARM TRAINING) to EC 20-19-1 (STATE SUPERINTENDENT OF PUBLIC INSTRUCTION). IC 20-37-2 (VOCATIONAL SCHOOLS OR DEPARTMENTS)
(Note 10B: Move IC 21-3-11 (part) (ALTERNATIVE EDUCATION PROGRAM GRANTS) to IC 20-30-8 (ALTERNATIVE PROGRAM FOR CERTAIN STUDENTS).)  (Note 5: 10C: Move IC 21-4-24-1 (TUITION FOR INSTITUTIONAL FARM TRAINING) to 1C 20-19-1 (STATE SUPERINTENDENT OF PUBLIC INSTRUCTION): IC 20-37-2 (VOCATIONAL SCHOOLS OR DEPARTMENTS)  (Note 11: Move provisions from IC 6-1.1-19 [PUBLIC SCHOOL PROPERTY TAX CONTROLS], IC 20 [EDUCATION], and IC 21 (EDUCATION FINANCE) into the following 12 11 new Articles

IC 20-23-4-41]

Chapter 4. Audits; Reports Related to Trust Funds [IC 21-1-7-20; IC 21-1-7-29 through IC 21-1-7-31]

#### ARTICLE 40. GOVERNMENTAL FUNDS AND ACCOUNTS

Chapter 1. Governmental Funds Outside IC 20-40 [NEW<sup>2</sup>]

Chapter 2. General Fund [IC 21-2-11-2; IC 21-2-11-4 (except property tax levy powers)]

Chapter 3. Referendum Tax Levy Fund [IC 21-2-11.6-3 (except IC 21-2-11.6-3(b))]

Chapter 4. Special Education Preschool Fund [21-2-17-1]

Chapter 5. Racial Balance Fund [IC 6-1.1-19-10(c); IC 6-1.1-19-10(g)]

Chapter 6. School Transportation Fund [IC 21-2-11-4 (part); IC 21-2-11.5-1; IC 21-2-11.5-

2(a); IC 21-2-11.5-2(c); IC 21-2-11.5-2(d); IC 21-2-11.5-4; **21-2-15-12 (part)**]

Chapter 7. School Bus Replacement Fund [IC 21-2-11.5-2(b); IC 21-2-11.5-2(e); IC 21-2-11.5-3.1(e)]

Chapter 8. Capital Projects Fund [IC 21-2-15-1; IC 21-2-15-4; <del>IC 21-2-15-7; IC 21-2-15-12; IC 21-2-15-14</del>]

Chapter 9. Debt Service Fund [IC 21-2-4-2; IC 21-2-4-4; IC 21-2-4-5; IC 21-5-8]

Chapter 10. Levy Excess Fund [IC 6-1.1-19-1.7 (part)]

Chapter 11. Repair and Replacement Fund [IC 21-2-5.5]

Chapter 12. Self-Insurance Fund [IC 21-2-5.6; IC 21-2-19]

Chapter 13. Petty Cash Fund [IC 21-2-5]

Chapter 14. Special Purpose Funds without Tax Levy [IC 21-2-11-6 (part)]

Chapter 14. 15. School Technology Fund [IC 21-2-18]

#### ARTICLE 41. PROPRIETARY AND EXTRACURICULAR FUNDS AND ACCOUNTS

Chapter 1. Accounting for School Functions; Extracurricular Account [IC 20-26-6 (except section 2); IC 21-2-11-5; IC 21-4-23]

Chapter 2. School Lunch and Textbook Rental Programs [IC 20-23-3-5 Through IC 20-23-3-7; IC 20-26-5-15 Through IC 20-26-5-17]

#### ARTICLE 42. FIDUCIARY FUNDS AND ACCOUNTS FOUNDATIONS

Chapter 1. Local Management Administration of Common School Funds Fund by County [IC 21-1-1-1 through IC 21-1-1-2; IC 21-1-3-1; IC 21-1-54; IC 21-1-7; IC 21-1-10; IC 21-2-4-5 (part)]

 $<sup>^2</sup>$  It is proposed that a nonsubstantive list of school funds mentioned in other laws but not recodified in this bill be added in this bill, including construction fund (IC 6-1.1-19-4.5; IC 21-2-14-4); joint service and supply fund (IC 20-5-9-2); joint services, leasing, construction and supply fund (IC 20-5-11-4); joint investment fund (IC 20-5-11-5); professional development and technology fund (IC 20-3.1-15-1; IC 20-5-62-6); joint fund (IC 20-10.1-7-3).

# Chapter 2. County Administration of Congressional Township School Fund [IC 21-1-1-1 through IC 21-1-1-2; IC 21-1-1-54; IC 21-1-7]

Chapter 2. 3. Seminary Township School Fund [IC 21-2-1]

Chapter 3. 4. Funding of Retirement or Severance Plan [IC 21-2-20]

Chapter 4. Public Foundations [IC 20-26-5-21; IC 20-26-5-22]

#### ARTICLE 43. STATE TUITION SUPPORT

Chapter 1. General Provisions [IC 21-3-1.6-1.1; **IC 21-3-1.7-4**; IC 21-3-1.7-7; IC 21-1-30-10; IC 21-3-1.7-10; IC 21-3-2.1-10; IC 21-3-12-12]

Chapter 2. Maximum <del>Total</del> State <del>Tuition Support</del> Distribution <del>Adjustments</del> [IC 20-30-6-3; IC 20-30-7-12; IC 21-3-1.7-9; IC 21-1-1-62.5; IC 21-1-30-7(b); P.L.246-2005, SECTION 9]

Chapter 4: 3. Indexes and General Computations; Amounts Used in Tuition Support Calculations [IC 21-3-1.7-2; IC 21-3-1.7-3.1; IC 21-3-1.7-4; IC 21-3-1.7-5; IC 21-3-1.7-6.7 (complexity index only); NEW; IC 21-3-1.7-7]

Chapter 3. 4. Determination of Pupil Enrollment; ADM; Adjusted ADM [IC 21-3-1.6-1.1(d); IC 21-3-1.6-1.2; IC 21-3-1.7-6.6]

Chapter 6. 5. Determination of Complexity Index and Target Revenue Per ADM [IC 21-3-1.7-6.7]

Chapter 5. 6. Calculation of Basic Tuition Support Distribution [ IC 21-3-1.7-8.2; IC 21-3-1.7-9]

Chapter 7. Special Education Grants [IC 21-3-2.1]

Chapter 8. Vocational Education Grants [IC 21-3-12]

Chapter 9. Primetime Program [IC 21-1-30]

Chapter 10. Other Tuition Support Grants [IC 21-3-1.7-9.8]

#### ARTICLE 44. PROPERTY TAX LEVIES: GENERAL PROVISIONS

Chapter 1. Taxable Property [IC 21-4-22]

Chapter 2. General Levy Powers [IC 20-23-1-6(h)(7); IC 20-23-1-6(m); IC 20-23-1-6(n); IC 20-23-3-3; IC 20-23-7-11(2); IC 20-23-11-2; IC 20-23-16-4; IC 20-23-16-24(d)(6); IC 20-23-16-24(m); IC 20-23-16-26(c)(6); IC 20-23-16-26(h); IC 20-23-16-27; IC 20-25-4-5; IC 20-26-5-4(14)]

Chapter 3. Application of Levy Excess to Reduce Property Taxes [IC 6-1.1-19-1.7]

#### ARTICLE 45. GENERAL FUND LEVIES

### Chapter 1. Definitions [IC 6-1.1-19-1; IC 6-1.1-19-1.5]

Chapter + 2. General Provisions [IC 6-1.1-19-1.5; IC 6-1.1-19-6; IC 6-1.1-19-11; IC 20-23-3-3; IC 21-2-11-2 <del>IC 21-2-11-4</del>]

Chapter 2. 3. Tuition Support Levy [IC 6-1.1-19-1.5; IC 6-1.1-19-11; IC 21-3-1.7-6.8]

Chapter 4. Review by County Board of Tax Adjustment; Appeals [IC 6-1.1-19-2; IC

6-1.1-19-5.3

## Chapter 5. Review of Order of County Board of Tax Adjustment or County Auditor; New Facilities Adjustment [IC 6-1.1-19-4.4]

Chapter 3: 6.. Emergency Relief; Excessive Tax Levies Tuition Support Levy Adjustments [IC 6-1.1-19-4.4(a)(4); IC 6-1.1-19-4.5 (part); [IC 6-1.1-19-4.7; IC 6-1.1-19-4.9; IC 6-1.1-19-5.1; IC 6-1.1-19-10.5; IC 20-23-9; IC 20-23-9-8]

Chapter 4: 7. Supplemental County Levy; Lake County [IC 21-2-12]

Chapter 5. 8. Supplemental County Levy; Dearborn County [IC 21-2-13]

#### ARTICLE 46. LEVIES OTHER THAN GENERAL FUND LEVIES

Chapter 1. Referendum Tax Levy [IC 6-1.1-19-4.5(c); IC 21-2-11.6-3(b); IC 21-2-11.6-4]

Chapter 2. Special Education Preschool Levy [IC 21-2-17-2]

Chapter 3. Racial Balance Levy [IC 6-1.1-19-10 (except IC 6-1.1-19-10(c) and IC 6-1.1-19-10(g))]

Chapter 4. School Transportation Levy [IC 21-2-11.5-3(a); IC 21-2-11.5-3(b); IC 6-1.1-19-5.4]

Chapter 6. 5. School Bus Replacement Levy [IC 21-2-11.5-3(c); IC 21-2-11.5-3(d); IC 21-2-11.5-3.1]

Chapter 5. 6. Capital Projects Levy [IC 21-2-15 (except IC 21-2-15-4 and IC 21-2-15-7)]

Chapter 7. Debt Service Levy [IC 6-1.1-19-4.2; IC 6-1.1-19-4.6; IC 6-1.1-19-8; IC 21-1-5-8; IC 21-2-4 (except 21-2-4-2)]

#### ARTICLE 47. RELATED ENTITIES; HOLDING COMPANIES; LEASE AGREEMENTS

#### **Chapter 1. Public Foundations [IC 20-26-5-21; IC 20-26-5-22]**

Chapter +. 2. Public Holding Companies [IC 21-5-11]

Chapter 2. 3. Private Holding Companies [IC 21-5-12]

Chapter 3. 4. Lease of Existing School Building [IC 21-5-9]

Chapter 4. 5. Payment of Rent by Annexed School Corporations [IC 21-5-10]

### ARTICLE 48. BORROWING AND BONDS

Chapter 1. Borrowing and Bonds [IC 21-2-21 IC 21-4-20]

### Chapter 2. Borrowing; School Cities and School Towns [IC 21-4-20]

Chapter 2. 3. Borrowing; Indianapolis Public Schools [20-25-4-6 Through IC 20-25-4-10(b)]

Chapter 3. 4. Township School Building [IC 21-2-3.1; IC 21-2-3.2]

# ARTICLE 49. STATE MANAGEMENT OF COMMON SCHOOL FUNDS; STATE ADVANCES AND LOANS

#### **Chapter 1. General Provisions**

- Chapter 1. 2. Administration of Veterans Memorial School Construction Fund; School Disaster Loan Fund [IC 21-1-11; IC 21-1-12]
- Chapter 2. 3. State Administration of Common School Fund [IC 21-1-1.5; IC 21-1-3 (except provisions related to Indiana University permanent endowment fund); IC 21-1-4]
- Chapter 3. 4. Advancement From Common School Fund; for Disaster Loss Buildings; Technology Programs [IC 21-1-5 (except IC 21-1-5-8)]
- Chapter 4. 5. Advancement From the Common School Fund for Certain Anticipated Transfer Tuition Costs [IC 21-1-5.1 IC 21-1-6]
- Chapter 5. 6. School Technology Advancement Account [IC 21-1-31]
- Chapter 6. 7. Charter School Advancement Account [IC 21-1-32]

(Note 12: Move part of IC 21-1-3 that relates to state administration of the Indiana University Permanent Endowment Fund) to a new chapter in IC 21-7 [STATE UNIVERSITIES].)

#### **ARTICLE 7. STATE UNIVERSITIES**

Chapter 4.5. Administration of the Indiana University Permanent Endowment Fund [IC 21-1-3]

IC 21-7-3 ((INDIANA UNIVERSITY; ENDOWMENT FUND) and IC 21-7-5 (INDIANA UNIVERSITY; SALE OF FEDERAL LANDS). Cross reference relevant part of IC 21-1-1-1 and IC 21-1-1-2, and IC 21-1-7 related to local administration of the Indiana University Permanent Endowment Fund in IC 21-7-3 ((INDIANA UNIVERSITY; ENDOWMENT FUND) and IC 21-7-5 (INDIANA UNIVERSITY; SALE OF FEDERAL LANDS))

(Note 13: Move IC 21-2-10 (RETURN OF MONEY TO TOWNSHIP FUND WHEN PROJECT ABANDONED) and IC 21-2-2 (TRANSFER OF BOND FUND) to IC 36-1-8-5 (TRANSFER OF UNENCUMBERED BALANCES).)

(Note 14: Move IC 20-26-8-4 (Public Playgrounds; Third Class Cities) to IC 36-10-14 (Public Playgrounds; Third Class Cities).)

ARTICLE 10. RECREATION, CULTURE, AND COMMUNITY FACILITIES

Chapter 10. 14. Public Playgrounds Maintained by School; Third Class Cities [IC 20-26-8-4]

(Note: 15: Move IC 20-20-26-5-25 through IC 20-26-5-27 (FREE PUBLIC USE OF SCHOOL LIBRARIES) to a new Chapter in IC 36-12 (PUBLIC LIBRARIES)

#### ARTICLE 12. PUBLIC LIBRARIES

Chapter 14. 15. Free Public Use of School Libraries [IC 20-26-5-25 through IC 20-26-5-27]

(Note 16: Repeal IC 20-26-8-13 (SWIMMING POOL FEES CHARGED BY TOWNSHIP SCHOOL LOCATED IN LAKE OR ST. JOSEPH COUNTY); IC 21-1-1-15 through IC 21-1-1-44 (SALE OF CONGRESSIONAL TOWNSHIP LAND); IC 21-2-14 (FUNDING OF DISTRESSED SCHOOL CORPORATIONS); IC 21-3-1.6-2 (CALCULATION OF TEACHER RATIO); IC 20-26-11-28 and IC 21-3-3.1 (STATE DISTRIBUTION FOR TRANSPORTATION). Repeal part of IC 21-1-3 and IC 21-1-7 dealing with county administration of the INDIANA UNIVERSITY PERMANENT ENDOWMENT FUND.

(Note 17: Standardized fund terminology.)

Change the following references to the "General Fund":

**Tuition Fund** 

School Revenue for Tuition Fund

School Fund (except where the context indicates that school fund refers to any school fund)

Change to "Capital Projects Fund":

Cumulative Building Fund

Change the following references to the "Debt Service Fund":

**Bond Fund** 

**Lending Fund** 

Change the following reference to "General Fund, Debt Service Fund, or Capital Projects Fund", as appropriate:

Special School Fund

(Note 18: The following education finance provisions in IC 20 will not be recodified by this bill and will remain at their current location in the Indiana Code: IC 20-20 (PROGRAMS ADMINISTERED BY THE STATE containing categorical grants that are not connected to the tuition support formula; IC 20-24-7 (CHARTER SCHOOL FISCAL MATTERS); IC 20-26-11 and IC 20-33-4 (TRANSFER TUITION); IC 20-33-5 (FINANCIAL ASSISTANCE TO STUDENTS); VARIOUS FEES; VARIOUS REORGANIZATION LEVIES)

#### Appendix B

#### **ADA**

1. What should be done with the various undefined references to average daily attendance in IC 20 and the sole undefined references to current ADA and ADA ratio in IC 21-2-12 (Lake County supplemental school funding law?

(Recommend moving the:

- (1) general definition of ADA in IC 6-1.1-19-1 to IC 20-18-2 so it applies to all of Title 20:
- (2) definition of ADA, current ADA, and ADA ratio in IC 6-1.1-19-1 and the special rules related to ADA, current ADA, and ADA ratio in IC 6-1.1-19-6 to the recodified version of IC 21-2-12 (IC 20-45-7) to reflect the cross reference to definition of ADA ratio in IC 21-2-12-4.1; and
- (3) convert the reference in IC 21-1-5-9 from average daily attendance to ADM, to be consistent with IC 21-1-5-3.

Convert references in law from "average daily attendance" to ADA to be consistent. Do not retain the definitions in the general fund property tax law since ADA is no longer used in determining the general fund levy.)

#### **ADMINISTRATION**

2. Should the following sentence from IC 20-26-5-13 be deleted as, temporary transitional language that has completed its action and as in conflict with other provisions of IC 20-26 or as so vague that, when applied to amendments made after the date the language was enacted, it is impossible to determine what it means:

All statutes in conflict with IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 21-2-19, and IC 21-2-21 are repealed to the extent of the conflict.

IC 21-2-19 deals with self-insurance programs. IC 20-26-5-4(15) generally states that a school corporation may self-insure. IC 21-2-21 deals with borrowing money. IC 20-26-5-4(14) cross references to IC 21-2-21, indicating that it applies.

(Recommend that all of the language be stricken. Alternatively only the language related to IC 21-2-19 and IC 21-2-21 be stricken.)

#### ALTERNATIVE EDUCATION PROGRAM

3. What should be done with the erroneous cross reference to the erroneous cross reference to IC 21-3-11-8 in IC 21-3-11-3?

(Recommend correcting the reference to the recodified versions of IC 21-3-11-9, which are

4. Should the differences in the definition of eligible student in IC 20-30-8-3 and IC 21-3-11-2 be retained (i.e., IC 21-3-11-2 cross references the phrase "eligible pupil" to the definition in IC 21-3-1.6-1.1, but IC 20-30-8-3 uses the phrase "eligible pupil" without a cross reference to any definition of the term )?

(Recommend leaving the differences unless the Department of Education concludes that the differences have no practical effect.)

#### **BORROWING**

5. Should the conflict between IC 21-4-20-1 (tax anticipation loans limited to 50% of projected levy in school cities and school towns) and IC 21-2-21-8 (tax anticipation loans limited to 80% of taxes and state tuition support) be resolved in the recodification bill?

(Recommend the conflict not be resolved in the recodification bill.)

6. Can a single definition in IC 20-18-2 be added to define "state tuition support" for all purposes in IC 20, including the purposes of IC 21-2-21-8, which is being recodified as IC 20-48-1-9?

(Recommend a single definition to mean all state distributions included in the budget bill appropriation labeled "tuition support distribution".)

#### 7. Should:

- (1) the references to "assessed valuation" in IC 21-1-5-3(b) be changed to "adjusted assessed valuation to be consistent with IC 21-1-5-9(a); and
- (2) the term "adjusted assessed valuation" cross referenced to the calculation of adjusted assessed valuation in IC 6-1.1-34-8, which applies to all computations related to state distributions?

(Recommend the changes.)

#### **FUNDS**

8. Should the reference to a special school fund in the following provision of IC 20-26-5-20 (concerning fees charged for community use of a swimming pool or other athletic facilities) be stricken as redundant:

The governing body may set up and charge a schedule of fees for admission to or use of any facility outside the school corporation's regular school program. Fees shall be deposited in the general fund or the special school fund of the school corporation.

(Recommend that it be stricken on the basis that IC 21-2-11-2 states that "[a]ll receipts and disbursements heretofore authorized by law for school funds and tax levies for the ...special

school fund, special fund... shall, on and after January 1, 1968, be received in and disbursed from the general fund." However, if the State Board of Accounts indicates that current practice is to put the fees in an extracurricular account that is separate from the general fund, change the reference to extracurricular account.)

9. Should the cross reference to IC 21-2-15-4(h) to equipment specified in IC 21-2-15-4(c) be corrected to reference the equipment language in IC 21-2-15-4(d)?

(Recommend updating the reference, which is recodified as 20-40-7-11.)

10. Should the cross reference in IC 21-2-15-10(c) to IC 21-2-15-4(b)(4) be replaced with a reference to the language IC 21-2-15-4(c)(4)?

(Recommend the change.)

- 11. Should the conflict affecting county-held common school funds between:
  - (1) IC 21-1-3-1 (local option to transfer common school fund to the state), IC 21-2-4-5 (transfer the balance to the debt service fund), and IC 21-1-11-3.1 (transfer of loan fund payments to the school disaster loan fund); and
- (2) IC 21-1-1-1 (no diminishing the common school fund); be resolved in the recodification bill?

(No recommendation on how to resolve this conflict.)

12. Should the references in IC 21-1-1-54 to distributions of money from the congressional township school fund to cities, towns, and townships be changed to a reference to school corporations?

(Recommend changing the references in the recodified version IC 20-41-2-8?)

13. Should the language dealing with county administration of the Indiana University Permanent Endowment Fund be deleted as obsolete?

(Recommend deleting the language.)

# PROPERTY TAXES AND PROPERTY TAX CONTROLS

14. Should the references to "community school corporation" in IC 20-23-16-4 be replaced by the term used in the application clause in IC 20-23-16-4(a): "school corporation".

(Recommend that the term be replaced to reflect the language in subsection (a) that applies the provision to "all school corporations".)

15. Should language dealing with property tax levies in IC 20-23-1-6(h)(7), IC 20-23-1-6(m),

IC 20-23-1-6(n), IC 20-23-3-3, IC 20-23-7-11(2), IC 20-23-11-2, IC 20-23-16-4, IC 20-23-16-24(d)(6), IC 20-23-16-24(m), IC 20-23-16-26(c)(6), IC 20-23-16-26(h), IC 20-23-16-27, IC 20-25-4-5, and IC 20-26-5-4(14) be stricken or repealed as either:

- (1) redundant of the powers granted in IC 20-23-16-4;
- (2) superceded by IC 21-2-4-6 (expressing a legislative intent that debt service be levied in the debt service fund), or
- (3) otherwise in conflict with the property tax controls?

(Recommend that the scattered general grants of property tax levy power be consolidated into IC 20-44-2, using the language in IC 20-23-16-4 as the statement expressing the meaning of these provisions. Recodify the debt service fund language from IC 21-2-4 in IC 20-46-7.)

16. Should IC 6-1.1-19-6(c) be deleted as obsolete because it is applicable only to 1977?

(Recommend rephrasing the language, when recodified at IC 20-45-2-3, as follows to eliminate obsolete text:

"If territory is transferred from one (1) school corporation to another after June 1, 1978, under IC 20-4-4 (before its repeal), IC 20-3-14 (before its repeal), IC 20-23-5, or IC 20-25-5, adjusted base levy, normal tax levy, and the other terms used in this chapter article shall be interpreted insofar as possible, as though the assessed valuation of the territory had been transferred prior to before March 1 1977, immediately preceding the calendar year in accordance with rules and a final determination by the department of local government finance."

17. Should the terms "base levy", "normal levy", and "adjusted base levy" be replaced with a single term "tuition support levy" for the purposes of consistency?

(Recommend a change in terms to provide uniformity in the laws.)

18. May the language in IC 21-2-11.5-3(c) setting out the calculation of the assessed value growth quotient be replaced with a cross reference to IC 6-1.1-18.5-2 (assessed value growth quotient calculation)?

(Recommend the cross reference.)

19. Should the reference in IC 6-1.1-21-2(g)(G)(viii) (PTRC) be to the transportation fund and not the general fund?

(Recommend changing to the language to "transportation fund".)

See also, discussion of ADA for proposal for dealing with the obsolete terms ADA, current ADA, and ADA ratio for an additional proposal affecting property taxes and property tax controls..

#### STATE TUITION SUPPORT

20. Should the monthly distribution requirement in IC 21-1-30-7(b) for primetime distributions be deleted as superseded by the biennial tuition support distribution language that is included in the current budget bill at P.L.246-2005, SECTION 9 and should the distribution language in P.L.246-2005, SECTION 9 be included in the Indiana Code?

(Recommend deleting conflict and including the budget bill language in the Indiana Code.)

21. Should the separate proportionate reduction language in IC 21-1-30-7(c) concerning primetime be deleted as obsolete and superseded by IC 21-3-1.7-9 since there is no separate appropriation for primetime?

(Recommend deleting the language which would otherwise be recodified as IC 20-43-2-6.)

22. Should the part of IC 21-1-1-54 which requires the county auditor to return to the state of the state tuition support that is not expended by a school corporation in the county be deleted as obsolete and in conflict with the current school funding formula?

(Recommend its deletion.)

23. Should the part of IC 21-1-1-54 which requires a county auditor to return unspent state tuition support money be deleted as obsolete?

(Recommend deleting the language which would otherwise be recodified at IC 20-43-2-7.)

#### PUBLIC AND PRIVATE HOLDING COMPANIES

24. Can IC 21-5-12-2 be retabulated as follows:

Any A school corporation or corporations may enter into a contract of lease or lease with option to purchase under the provisions of this chapter only with:

- (1) a corporation organized under the laws of the state of Indiana law or duly admitted to do business in the state of Indiana; or with
- (2) a religious organization (or its the organization's agent) which that is exempt from federal income taxation under Section 501 of the Internal Revenue Code.

(Recommend the retabulation.)

#### TRANSFER TUITION

25. Should the cross reference to a provision that was repealed in 2000 be replaced by its successor statute in the following language from IC 20-26-11-13(i):

(i) If the school corporation can meet the requirements of IC 21-1-30-5, it may negotiate transfer tuition agreements with a neighboring school corporation that can accommodate additional students.

IC 21-1-30-5 was repealed by P.L.3-2000 and IC 21-1-30-5.5 was added in the same bill.

(Recommend that the cross reference be converted to the successor language that is being recodified in IC 20-43-10-8.)

#### TRF

# 26. Should the following sentence in IC 21-6.1-2-8(d) be deleted as obsolete:

In state fiscal year 2006, the prior year's state general fund payments for the pre-1996 Indiana state teachers' retirement fund shall be treated as including the amount used under this section in the prior state fiscal year to pay pre-1996 Indiana state teachers' retirement fund's pension liabilities.

(Recommend that it be deleted since state fiscal year 2006 will end before the recodification takes effect. Otherwise place the text in IC 5-10.4-2-5.)

#### 27. Can the following sentence from IC 21-6.1-2-9(a) be deleted:

The board shall determine the fund's undistributed income reserve as of June 30, 1998, and, under the fund's actuarial valuation as of June 30, 1998, shall allocate the reserve effective July 1, 1998.

(Recommend that it be deleted but otherwise recodify it in IC 5-10.4-2-6(a))

#### 28. Can the following sentence from IC 21-6.1-5-19(b) be deleted as obsolete:

The benefits of members who retired before January 1, 1956, shall be computed by multiplying fifteen dollars (\$15) times years of service and then actuarially adjusting the product obtained for early retirement and the retirement option by using the factors in effect on July 1, 1975.

(No recommendation. If not deleted, then recodify it as part of IC 5-10.4-5-16.)

#### VOCATIONAL AND WORKFORCE DEVELOPMENT

29. Should the obsolete cross reference to a repealed federal statute (38 U.S.C. 1601 et seq. dealing with federal grants for veterans) in IC 21-4-24-1 be updated to reflect the successor federal program (38 U.S.C. 3201 et seq.)?

(Recommend updating reference.)

# 30. How should the following reference to the obsolete term "at-risk" be addressed in IC 22-4.1-12-1:

"eligible student" means:

- (1) a student who is:
  - (A) enrolled in a public high school as a senior;
  - (B) at risk of withdrawing from school before graduation; and
  - (C) at risk under the criteria for determining at risk students under IC 21-3-1.6-1.1; or

(Recommend that the language be rewritten as follows:

"eligible student" means:

- (1) a student who is:
  - (A) enrolled in a public high school as a senior;
  - (B) at risk of withdrawing from school before graduation; and
  - (C) at risk under the criteria for determining the at risk students under IC 21-3-1.6-1.1 index (as defined in IC 21-3-1.6-1.1(l)) (before its repeal July 1, 2006); or)